

STATE OF NEW JERSEY

**STATE
HEALTH BENEFITS
PROGRAM**

***EMPLOYEE
PRESCRIPTION DRUG
PLAN***



Provided by the
Department of the Treasury
Division of Pensions and Benefits

Administered by
Horizon Blue Cross and Blue Shield of New Jersey

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Table of Contents

PLAN OVERVIEW	3
Eligibility	3
Plan Benefits	3
<i>Maintenance Drugs from a Retail Pharmacy</i>	<i>3</i>
Enrollment	4
<i>Types of Coverage</i>	<i>4</i>
Transfer of Employment	4
Leave Without Pay	4
When Coverage Ends	4
Continuation of Coverage Under COBRA	5
GENERAL INFORMATION	6
Purchasing Your Prescription Drugs at a Pharmacy	6
<i>Participating Pharmacies</i>	<i>6</i>
<i>Non-Participating Pharmacies</i>	<i>6</i>
<i>How to File a Claim for Reimbursement</i>	<i>6</i>
Mail Order Service	7
<i>How the Mail Order Service Works</i>	<i>7</i>
<i>Transfer an Existing Prescription</i>	<i>8</i>
<i>Easy Rx</i>	<i>8</i>
<i>Online Access</i>	<i>8</i>
<i>Obtaining Refills Through the Mail Order Service</i>	<i>8</i>
What the Employee Prescription Drug Plan Covers	9
<i>Dispensing Limits</i>	<i>9</i>
What the Employee Prescription Drug Plan Does Not Cover	9
ADDITIONAL INFORMATION	10
Generic Drugs	10
<i>What are Generic Drugs?</i>	<i>10</i>
<i>Who Determines if a Participant Can Receive Generic Drugs?</i>	<i>10</i>
HOW TO APPEAL A CLAIM	11
APPENDIX A	12
Glossary	12

STATE HEALTH BENEFITS PROGRAM EMPLOYEE PRESCRIPTION DRUG PLAN

PLAN OVERVIEW

ELIGIBILITY

The **Employee Prescription Drug Plan** is offered to:

- Eligible State of New Jersey employees and their dependents.
- Eligible employees of State colleges and universities and participating independent State commissions, authorities, and agencies and their dependents.
- Eligible employees of local employers and their dependents if the employer has opted for participation in the Employee Prescription Drug Plan.

The Employee Prescription Drug Plan rules of eligibility and information on maintaining coverage are the same as those for the State Health Benefits Program (SHBP) medical plans. Please refer to the *SHBP Summary Program Description* for additional eligibility, enrollment, and coverage information.

PLAN BENEFITS

At a **retail pharmacy**, participants and eligible dependents pay a:

- \$1.00 co-payment for up to a 30-day supply of a **generic**¹ drug; or a
- \$5.00 co-payment for up to a 30-day supply of a **brand name** drug.

A **mail order** benefit is available where participants can receive up to a 90-day supply of prescription drugs for the same co-payment amounts listed above. See *Mail Order Service* on page 7 for more information.

Maintenance Drugs from a Retail Pharmacy

Employee Prescription Drug Plan participants may obtain up to a 90-day supply of maintenance drugs at participating retail pharmacies. You are required to pay two 30-day co-payments for a 31 to 60-day supply or three 30-day co-payments for a 61 to 90-day supply.

Please Note: If your physician is prescribing a month's supply of a medication that requires multiple pills per day, make sure the prescription is written for the exact number of pills for a 30-day period. For example: if the physician writes a prescription for three pills per day, the total number of pills for the 30-day period should not exceed 90. If 100 pills are prescribed you will be charged an extra co-payment for the additional 10 pills.

¹ See page 10 for additional information about generic drugs.

ENROLLMENT

Types of Coverage

You may enroll under one of the following types of prescription drug coverage:

- Single — coverage for yourself only;
- Member/Spouse — coverage for you and your spouse only;
- Family — coverage for you, your spouse, and eligible children;
- Parent and Child(ren) — coverage for you and your eligible children (but not your spouse if married).

When you enroll in the Prescription Drug Plan you will be mailed an identification card confirming the level of coverage you selected as well as your prescription drug co-payment requirements. If you enroll your spouse for coverage, your spouse will also receive an identification card.

TRANSFER OF EMPLOYMENT

If you transfer within State employment or between Local employers participating in the SHBP who provide the Employee Prescription Drug Plan to their employees, coverage for you and your dependents will be continued.

LEAVE WITHOUT PAY

If you go on an authorized leave of absence without pay, you can arrange to continue coverage for yourself and your eligible dependents. In most cases you will be required to pay any premiums necessary for continuation with the plan. Please see your payroll clerk, personnel officer, or Human Resources representative for details. Upon return from your leave of absence, contact your payroll clerk, personnel officer, or Human Resources representative for reinstatement of your employer paid coverage.

WHEN COVERAGE ENDS

Coverage for you and your dependents will end if:

- you retire;
- you terminate service as a full-time employee;
- you no longer meet the eligibility requirements;
- your Local Employer no longer participates in the Employee Prescription Drug Plan;
- the Employee Prescription Drug plan is discontinued.

If your membership in the Employee Prescription Drug Plan ends, you can continue in the Employee Prescription Drug Plan for a limited period of time under the provisions of the federal COBRA law. See *Continuation of Coverage under COBRA* (next page). You cannot convert membership to a private plan.

CONTINUATION OF COVERAGE UNDER COBRA

The federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows you and/or your eligible dependents to continue participating in the Employee Prescription Drug Plan for a period of up to 18 months by paying the required premium if loss of coverage is a result of one of the following qualifying events:

- A reduction of employee work hours so that you and/or your dependents no longer meet the eligibility requirements for health benefit coverage.
- A termination of employment, voluntary or involuntary (except for “gross misconduct”).

Your dependents can pay the required premium and continue participation in the Employee Prescription Drug Plan for a period of up to 36 months if the loss of coverage is a result of one of the following qualifying events:

- Death of the covered employee;
- Divorce of the covered employee and his or her spouse;
- A child no longer qualifies as a dependent under the terms of the SHBP as a result of marriage, age limitation, or becoming independent of the employee.

Employees must contact their payroll clerk, personnel officer, or Human Resources representative for a *COBRA Application*. There is a maximum time limit of 60-days from the date of the qualifying event for application for COBRA coverage. If you choose to purchase COBRA benefits, you pay 100 percent of the cost of the coverage plus a two percent charge for administrative costs.

GENERAL INFORMATION

PURCHASING YOUR PRESCRIPTION DRUGS AT A PHARMACY

To purchase a prescription drug at a retail pharmacy, present your identification card and prescription order to the pharmacist. Prescription drug refills are also covered as long as the order is used within one year of the original prescription date, authorized by your physician, and permitted by law.

Participating Pharmacies

If you use a participating pharmacy you will pay the appropriate co-payment for the purchase of a 30, 60, or 90-day maximum supply. Almost all New Jersey pharmacies have elected to participate with the Employee Prescription Drug Plan offered through Horizon Blue Cross and Blue Shield of New Jersey and administered by PAID Prescriptions, L.L.C. (PAID), a subsidiary of Merck-Medco Managed Care, L.L.C. To identify a participating pharmacy in your area you may contact PAID at 1-800-841-3038.

When using a participating pharmacy, just present your identification card and the appropriate prescription order. The pharmacist will complete all the necessary paperwork and process your prescription as written. The submission of a claim form is not required. You will be asked only to pay the appropriate co-payment(s).

If you have forgotten your identification card, or are waiting for a new one, request your pharmacist to enter "State NJ" as your group number and your Social Security number as your ID number in order to confirm your coverage. Otherwise, you may have to pay the full cost of the prescription drug to the pharmacist. However, you will still be entitled to the benefits of this plan. Simply get an itemized receipt from the pharmacist and forward it along with a claim form to PAID for reimbursement (see *How to File a Claim for Reimbursement* below).

Non-Participating Pharmacies

Some pharmacies in New Jersey and in other states do not have agreements with PAID and are not part of the Employee Prescription Drug Plan. (Participating pharmacies have a PAID sticker on their window.) When using a non-participating pharmacy, you will be asked to pay the full cost of the prescription drug to the pharmacist. You then must file a claim for reimbursement with PAID. PAID will reimburse you for the cost of the drug minus your co-payment. If, however, the cost exceeds PAID's maximum pharmacy charge, you will be reimbursed only the participating pharmacy charge, less your co-payment.

How to File a Claim for Reimbursement

1. If you did not present your ID card to the pharmacist, request that the pharmacist enter "State NJ" and your Social Security number into the automated system to confirm your coverage. If coverage cannot be confirmed you will have to pay the full cost of the prescription drugs to the pharmacist and file a claim for reimbursement.
2. If you have to file a claim for reimbursement, obtain an itemized receipt which includes the:
 - date the prescription was filled;
 - name and address of the pharmacy;

- National Drug Code number;
 - name of the drug;
 - dosage;
 - prescription number;
 - cost of the prescription drug.
3. Obtain a *Direct Reimbursement Claim Form* from your payroll clerk, personnel officer, Human Resources representative, or call PAID Member Services at 1-800-841-3038.
 4. Send the completed claim form, along with your itemized receipt, to the address indicated on the form.
 5. Claims should be filed as soon as possible. The filing deadline is 15 months following the end of the calendar year of the date of service.

Information about claims or coverage can be obtained by calling PAID Member Services at 1-800-841-3038.

MAIL ORDER SERVICE

The Mail Order Service is designed for participants taking medication on an ongoing basis, such as medication to reduce blood pressure or treat asthma, diabetes, or any chronic health condition. All Mail Order Service prescriptions are filled by registered pharmacists who are available for emergency consultations 24 hours a day, seven days a week by contacting Member Services at 1-800-841-3038.

How the Mail Order Service Works

Mail Order Service is designed for maintenance drugs that you take on a regular basis. When you order by mail, you get larger quantities of medication at one time – up to a 90-day supply for only one co-payment per prescription. This means you can save the equivalent of two retail pharmacy co-payments per prescription.

For the initial prescription, it is suggested that you ask your physician to prescribe two prescriptions, one for a 90-day supply of needed medications plus refills, the second for a two week supply of medication. The two week prescription should be filled at your local pharmacy for your use while your mail order prescription is being processed.

If this is the first time you are using the Mail Order Service you will need to complete a *Patient Profile Questionnaire* with your first order. Obtain the questionnaire from your Human Resources representative or from PAID Member Services. Your Personal Patient Profile data will be stored in the computer and referenced each time a new prescription is processed to assure against drug reactions. Be sure to answer all the questions and make certain you include your 9-digit Social Security number on the form. You may also complete this questionnaire if you would like to update your account information with PAID.

Send the completed *Patient Profile Questionnaire*, your original prescription(s), and your co-payment, in the self-addressed, postage paid reply envelope.

Your mail order prescription is reviewed by a pharmacist, checked against your available Patient Profile, dispensed by the pharmacist, and verified through the Mail Order Service Quality Control Department prior to mailing.

Your order will be processed and your medications will be sent to you via U.S. mail or UPS, along with re-order instructions and a postage paid envelope for future prescription drugs and/or refills.

Transfer an Existing Prescription

For a fast and easy way to use mail order, call Member Services at 1-800-841-3038. Tell the representative that you would like to transfer your prescription from your retail pharmacy to the Mail Order Service. Have your prescription drug container handy. You will need information off the label along with your medical history and the prescribing physician's name and telephone number. Your Mail Order Service pharmacist will contact your doctor to authorize a new prescription on your behalf. Your prescription will then be promptly filled, and your medication will arrive at your home within 14 days.

Easy Rx

You can ask your doctor to call 1-888-EASYRX1 (1-888-327-9791) for instructions on how to fax a new prescription to the Mail Order Service.

Online Access

The Mail Order Service is available over the Internet at: *www.merck-medco.com* where you can:

- Refill your Mail Order Service prescriptions.
- Check the status of a refill order.
- Order Mail Order Service envelopes.

Obtaining Refills Through the Mail Order Service

To help ensure you never run short of your prescription medication, you should reorder when you have 14 days of medication left.

There are three ways to order refills:

By Mail: — With your original prescription medication, you will receive a pre-addressed envelope and a notice showing the number of times it may be refilled. Mail this refill notice with your co-payment to Merck-Medco Rx Services in the envelope provided.

By Telephone: — Simply call Member Services at 1-800-841-3038, 24 hours a day, 7 days a week. Have your refill slip with your prescription information ready. Use the simple voice instructions to enter your member ID number and the 12-digit prescription number of the medication that you are requesting. Your prescription medication will be sent to your home.

By E-mail: — If e-mail is available you may refill your prescription online. Go to the Merck-Medco Managed Care Internet page at: *www.merck-medco.com* Click the button that says "order refills online." Enter your member ID number (Social Security number) and the 12-digit prescription number of your medication. You will see a detailed summary of your order, including costs. Review the information and then click to refill your prescription.

Note: Prescriptions for perishable drugs and those sensitive to heat and cold should be processed at a participating pharmacy nearest your home. If processed through the Mail Order Service, you will be advised prior to shipment of the mailing date to ensure someone is home to receive the delivery.

What the Employee Prescription Drug Plan Covers

Your Employee Prescription Drug Plan helps meet the cost of drugs prescribed for you and your eligible dependents for use outside of hospitals, nursing homes, or other institutions. As required by Federal Law, covered drugs can be dispensed only upon a written prescription ordered by a physician.

The following are covered benefits unless listed as an exclusion:

- Federal Legend Drugs
- Compounded Medications
- Insulin
- Oral Contraceptives
- Over-the-counter Diabetic Supplies
- Disposable Needles and Syringes for diabetic use only
- Certain Transparent Dressings

Dispensing Limits

The maximum amount of a drug which is allowed to be dispensed per prescription or refill:

- **Retail Pharmacy** — up to a 90-day supply
- **Mail Order Service** — up to a 90-day supply

The State Health Benefits Commission reserves the right to establish dispensing limits on any medication. Volume restrictions currently apply to certain drugs such as sexual dysfunction drugs (Viagra, Muse, etc.).

WHAT THE EMPLOYEE PRESCRIPTION DRUG PLAN DOES NOT COVER

The following are excluded from coverage unless specifically listed above as a benefit:

- Non-Federal Legend Drugs
- State Restricted Drugs
- Contraceptive jellies, creams, foams, devices, diaphragms, or implants
- Needles and Syringes (except for diabetic use)
- Therapeutic devices or appliances
- Immunization agents and vaccines
- Biologicals, blood, and blood plasma
- Administration or injection of any drugs
- Medication which is to be taken by an individual, in whole or in part, while he or she is a patient in a licensed hospital, sanitarium, extended care facility, skilled nursing facility, convalescent hospital, nursing home, or similar institution which operates on its premises or allows to be operated on its premises a facility for dispensing prescription drugs.

- Medication for which the cost is recoverable under any Workers' Compensation or Occupational Disease Law or any State or Governmental Agency, or medication furnished by another Drug or Medical Service for which no charge is made to the member.
- Drugs labeled "Caution limited by Federal Law to investigational use" or experimental drugs even though a charge is made to the individual.
- Drugs supplied in Unit Dose packaging except when that is the only form distributed to pharmacies.
- Drugs which lack U.S. Food and Drug Administration (FDA) approval, or which are approved but prescribed for other than a FDA approved use, or in a dosage other than that approved by the FDA.
- "Over-the-counter" drugs, or drugs that do not require a prescription written by a licensed medical doctor.

ADDITIONAL INFORMATION

Generic Drugs

What are Generic Drugs?

In certain instances, consumers have a choice between brand name drugs and generic drugs. A brand name drug is a medication manufactured by a drug company that has developed and patented the drug. After the drug patent expires, other manufacturers who can meet the FDA standards for the production of the drug may produce and market it. These medications, which are known as generic drugs, are required to contain the same ingredients as their brand name counterparts and must be used by the human body in the same fashion.

Substitution of drugs in New Jersey is regulated by law. The Generic Formulary, which is a listing of drug entities for which substitution is permissible, is maintained by the Drug Utilization Review Council of the New Jersey Department of Health and Senior Services. The law stipulates that when a physician indicates "substitution permissible" or gives no indication at all on the prescription, the pharmacist must substitute a generic drug as designated within the Formulary, unless otherwise advised by the patient or prescribing physician that substitution is not permissible.

Who determines if a participant can receive generic drugs?

Your physician determines whether a brand name or generic product is dispensed to you. You can take full advantage of the savings offered by the Employee Prescription Drug Plan by asking your physician to prescribe a generic drug or write a prescription which allows substitution of a generic drug whenever it is legally permissible.

If your physician writes a prescription that allows only for a brand name drug, the pharmacist will be required to dispense that drug, and you will be required to pay the appropriate higher co-payment to your participating pharmacist. So, if you are interested in the savings, be sure to inform your physician of your choice of a generic substitute when he/she is prescribing medications for you and your family members.

HOW TO APPEAL A CLAIM

If you believe an error has been made in processing your claim you may call PAID Member Services at 1-800-841-3038, or write to:

PAID Prescriptions, L.L.C.
P.O. Box 723
Parsippany, New Jersey 07054-0723

Please include the following information in your letter:

- the names and addresses of patient and employee;
- your prescription drug plan identification number (Social Security number);
- your group number and group name as shown on your ID card;
- the employer's name;
- the payment voucher number and date, if available;
- the claim number, if available;
- the date the prescription was filled;
- the pharmacy's name;
- the name of the medication;
- the strength of medication;
- the quantity prescribed;
- the prescription number;
- the amount billed, and;
- the amount you paid.

If your drug claim has been denied and you think the claim should be reconsidered, appeals must be made within 12 months of the date you were first notified of the action being taken to deny your claim. When your inquiry is received, the claim will be researched and reviewed. PAID will notify you in writing of the decision on your appeal within 60 days after the appeal is received. Special circumstances, such as delays by you or the provider in submitting necessary information, may require an extension of this 60-day period. The decision on the review will include the specific reason(s) for the decision and refer to specific provisions of the plan on which the decision is based.

After you have exhausted the PAID Prescriptions, L.L.C. internal appeal process, if still dissatisfied with the decision, you or your legal representative may appeal, in writing, to the State Health Benefits Commission. A request for consideration must include the reason for the disagreement along with copies of all relevant correspondence and should be directed to the following address:

Appeals Coordinator
State Health Benefits Commission
PO Box 299
Trenton, NJ 08625-0299

Notification of all Commission decisions will be made in writing to the member. If the Commission denies the member's appeal, the member will be informed in the denial letter from the Commission of further steps (s)he may take.

APPENDIX A

Glossary

This section defines certain important words used in this booklet.

CO-PAYMENT — The amount charged to the eligible person by the pharmacy for each prescription order or authorized refill. For the Employee Prescription Drug Plan the co-payment is \$1.00 for a generic drug and \$5.00 for all brand name drugs regardless of substitute availability. These co-payments are also applicable to the mail order portion of the plan.

DEPENDENTS — Your eligible dependents are your spouse and your unmarried children under age 23 who live with you in a regular parent-child relationship. (This includes children who are away at school.) If you are divorced, your children who do not live with you are eligible if you are legally required to support those children. Stepchildren, foster children, legally adopted children, and children in a guardian-ward relationship are also eligible provided they live with you and are substantially dependent upon you for support and maintenance. Affidavits of Dependency and legal documentation are required with enrollment forms for these cases.

FEDERAL LEGEND DRUG — A drug that, by law, can be obtained only by prescription and bears the label, "Caution: Federal law prohibits dispensing without a prescription."

MAIL ORDER PRESCRIPTION — A request by you that a prescription order for maintenance drugs be dispensed by a participating mail order pharmacy.

MERCK-MEDCO MANAGED CARE, L.L.C. — The pharmaceutical benefits management company that administers the Mail Order Service portion of the Employee Prescription Drug Plan.

NATIONAL DRUG CODE NUMBER — A universal drug identification number assigned by the U.S. Food and Drug Administration.

NON-FEDERAL LEGEND DRUG — A drug that does not require a prescription and is available "over-the-counter."

NON-PARTICIPATING PHARMACY — Any pharmacy that does not have an agreement with PAID Prescriptions, L.L.C.

PAID PRESCRIPTIONS, L.L.C. (PAID) — A subsidiary of Merck-Medco Managed Care, L.L.C. PAID administers the retail pharmacy portion of the Employee Prescription Drug Plan.

PARTICIPATING PHARMACY — Any pharmacy which has entered into an agreement with PAID Prescriptions, L.L.C.

PHARMACIST — A person licensed to practice the profession of pharmacy and who practices in a pharmacy.

PHARMACY — Any place of business which meets these conditions: 1) It is registered as a pharmacy with the appropriate state licensing agency and 2) prescription drugs are compounded and dispensed by a pharmacist. This definition does not include a physician who dispenses drugs, pharmacies or drug centers maintained by or on behalf of an employer, a mutual benefit association, labor union, trustee or similar person or group. It also does not include pharmacies maintained by hospitals, nursing homes, or similar institutions.

PRESCRIPTION — The request for drugs issued by a physician licensed to make the request in the course of his professional practice.